GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3720
ANSWERED ON:08.12.2016
Re-sale of Cotton Stocks
Maragatham Smt. K.

Will the Minister of TEXTILES be pleased to state:

(a) whether the Cotton Corporation of India (CCI) proposes to start re-sale of cotton stocks available with it to small and medium scale textile mills so as to keep the prices under control and if so, the details thereof;

(b) whether the CCI has purchased 8.4 lakh bales of cotton at minimum support price this year and if so, the details thereof;

(c) whether the cost of cotton purchased from CCI will be lower than the current market price and the CCI proposes to sell cotton at just minimum support price so that the small textile units can survive; and

(d) if so, the details thereof and the steps being taken by the Government in this regard?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) & (b): During cotton season 2015-16 (1st October, 2015 to 30th September, 2016), CCI purchased seed cotton (kapas) equivalent to 8.44 lakh bales at Minimum Support Price (MSP). The statement showing state-wise procurement under MSP during 2015-16 is annexed. During cotton season 2015-16, cotton prices in the country abnormally increased in the month of May/July 2016 due to damage by white fly pests in Northern region & pink boll worm attack in Gujarat region and panic buying by the mills to cover their lean season requirement. In such situation, in order to safeguard the interest of the textile Industry including Micro, Small and Medium Enterprises (MSMEs), Government of India, Ministry of Textiles decided in July, 2016 to sell the balance unsold stock available with CCI to MSME units through e-sale so as to provide them some relief from cotton price volatility in the market and stabilize the market prices. Accordingly, all the cotton stocks of CCI has been sold.

(c): No, Madam. CCI sells its cotton stocks at market driven rates through e-auction.

(d): Does not arise, in view of (c) above.